

HOW TO CALCULATE REQUIRED SURETY BOND AMOUNTS

RSA 41:6 requires the Department of Revenue Administration to adopt rules for calculating the minimum required surety bond amounts for municipal officials. This worksheet provides guidance to municipalities on how to apply the Commissioner's adopted rules to calculate the minimum coverage for applicable officials.

Step 1 – Determine which municipal officials should be bonded per RSA 41:6 and REV 1903.6. In general, it would be anyone holding or processing municipal funds or property.

Step 2 – Determine the estimated amount of collections or revenues that flow through that position. See the non-inclusive list below of types of revenue accounts that would generally be applicable for the listed position.

Step 3 – Verify that the amounts are reasonable in comparison to the prior year and that there are explanations for any sizable changes in amounts. Revenue or expenditure variances might be from a bond, grant, or project.

Step 4 – Refer to the chart in REV 1903.6 to calculate the minimum surety bond coverage amounts.

Step 5 – Table 1900.1 provides the minimum coverage requirement. We encourage contacting your surety bond provider for their recommended coverage amounts.

Sample Positions	Account #	Account Title	Estimated Revenue Amount	Minimum Surety Bond per Table 1900.1 & 1903.6
Treasurer	Tax Commitment			
	All other revenues			
Tax Collector	3120	Land Use Change Tax		
	3180	Resident Tax		
	3185	Yield Tax		
	3189	Other Taxes		
	3190	Int. & Penalties		
	3187	Excavation Tax		
	other			
	other			
Town/City Clerk	3210	Business Licenses		
	3230	Building Permits		
	3290	Other Fees		
	other			
Trustees of Trust Funds	See MS-9 Form	Trust funds and capital reserve funds.		15% of funds in custody @ end of fiscal year [see REV 1903.6 (d)]

41:6 Surety Bond Required. –

I. Town treasurers, trustees as provided in RSA 31:22 and 23, trustees as provided in RSA 53-B:8-a, I, library trustees including alternate library trustees, if any, town clerks, tax collectors and their deputies, agents authorized to collect the boat fee, and persons delegated treasury functions under RSA 41:29, VI shall be bonded by position under a blanket bond from a surety company authorized to do business in this state. The bond shall indemnify against losses through:

(a) The failure of the officers covered to faithfully perform their duties or to account properly for all moneys or property received by virtue of their positions; or

(b) Fraudulent or dishonest acts committed by the covered officers.

II. A blanket bond may exclude the town treasurer if a separate fidelity bond for the faithful performance of his duties is furnished by the surety writing the blanket bond.

III. Premiums shall be paid by the town.

IV. The required bonds shall provide for at least a 2-year discovery period from the date their coverage terminates.

V. The commissioner of revenue administration shall adopt rules under RSA 541-A, concerning the amount and form of the surety bonds required under this section.

Rev 1903.06 Minimum Bond Requirements for Municipal Officials.

(a) The schedule for determining minimum bond requirements shall be:

- (1) Based on the amounts of estimated collections for each position bonded;
- (2) Computed using Table 1900.1 below:

Table 1900.1 Minimum Bond Requirements

COLLECTIONS		BOND REQUIRED
From	To	
\$1	\$ 5,000	\$1,000
5,001	10,000	2,000
10,001	20,000	3,000
20,001	35,000	7,000
35,001	50,000	8,000
50,001	65,000	10,000
65,001	80,000	12,000
80,001	100,000	15,000
100,001	140,000	17,000
140,001	180,000	22,000
180,001	220,000	27,000
220,001	260,000	32,000
260,001	300,000	36,000
300,001	375,000	38,000
375,001	450,000	40,000
450,001	550,000	42,000
550,001	650,000	44,000
650,001	750,000	46,000
750,001	850,000	48,000
850,001	925,000	50,000
925,001	1,000,000	52,000
Greater than 1,000,000		52,000, plus 1% of excess of \$1,000,000 in est. revenues

- (b) The minimum bond requirements **shall** apply to the following municipal officials:
- (1) Tax collectors;
 - (2) Deputy tax collectors, except for cities where the deputy shall be bonded at 50% of the estimated taxes collected by the tax collector's office;
 - (3) Treasurers;
 - (4) Deputy treasurers;
 - (5) Municipal clerks;
 - (6) Deputy municipal clerks; and
 - (7) Boat fee agents.
- (c) The required bond amount for a combined position of municipal clerk and tax collector shall be in the combined amount of the 2 positions.
- (d) The amount of the bond required of all trustees of trust funds shall be 15% of all funds in their custody as of the end of the fiscal year.
- (e) All trustees of trust funds shall be covered under the same position schedule bond.
- (f) The amount of the bond required of library trustees and, pursuant to RSA 41:6, alternate library trustees, if any, who have custody of trust funds pursuant to RSA 202-A:22 and RSA 202-A:23 shall be 15% of all funds in their custody as of the end of the fiscal year.
- (g) Additional officials may be bonded at the discretion of the municipality.

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